



February 21, 2024 AMHI Advisory Workgroup Meeting

Agenda

Time	Topic
1:05-1:15	Welcome and Introductions – Kristine Preston (DHS)
1:15-1:20	Meeting Guidelines – Lea Bittner-Eddy
1:20-1:30	Overview of AMHI Reform – Pam Sanchez
1:30-2:00	AMHI Workgroup Accomplishments – Mike Schoeberl
2:00-2:25	Charter and Roadmap – Pam Sanchez and Lea Bittner-Eddy
2:25-2:30	Preparations for next meeting – Lea Bittner-Eddy



Welcome!

Kristine Preston - Deputy Assistant Commissioner

AMHI Team at DHS and Partners



Christian Ederer
AMHI Consultant



Pam Sanchez
AMHI Supervisor
Project Manager



Breanna Bertozzi
AMHI Consultant

Mike Schoeberl
Forma Actuarial
Consulting Services

Kelly Deering
Alliant Consulting

Lea Bittner-Eddy
Alliant Consulting

Member Introductions

- Share your name, title, preferred pronouns (optional), County/Region/Tribe you represent and time working with AMHIs
- Favorite winter activity



Workgroup Members

- **NW8:** Nancy Rhen, Shauna Reitmeier
- **Region 2:** Brian Ophus
- **Region 3N/ABHI:** Lisa Hanson, Ric Schaefer
- **BCOW:** Deb Sjostrom, Kristin LePard, Mandi Scheel
- **Region 5+:** Nathan Bertram, Danielle Wadsworth
- **Region 7E:** Charles Hurd, Emily Hawkins
- **Region 4S:** Stacy Hennen, Kesha Anderson Trinkka
- **CommUnity:** Tony Masters, Bethany Oberg
- **Anoka:** Denise Kermis
- **Ramsey:** Sophia Thompson, Kenya Walker, Lola Oshodi
- **Washington:** Kathy Mickelson, Connie Tanner
- **Hennepin:** EJ Dean, Carol Gronfor
- **SW18:** Stacy Jorgensen, Corinne Torkelson, Kimberly Holm
- **Dakota:** Emily Schug
- **Scott:** Barb Dahl
- **Carver:** Richard Scott, Melissa Hanson
- **SCCBI:** Jamie Hayes, Ricki Pribyl
- **CREST:** Amy Thompson, Laura Sutherland
- **White Earth Nation:** Sara Erie

Meeting Guidelines

- When speaking, re-introduce yourself (and the County/Region/Tribe you represent)
- All members are encouraged to ask questions and share ideas during the meeting so that all members can be involved in the process
- Be mindful when using acronyms
- Listen and be respectful of all participants – Assume positive intent
- Advocate for all – AMHI Reform is a statewide initiative
- Email follow-up questions to [MN DHS amhi.dhs@state.mn.us](mailto:MN_DHS_amhi.dhs@state.mn.us) – all follow-up questions will be answered via FAQ document



AMHI Reform History

Pam Sanchez - AMHI Supervisor/Project Manager

History of AMHI Reform

1996 - AMHIs established

- The funding levels were primarily based on the locations of State Mental Health hospitals
- Initial funding determinations for AMHIs were not uniform, equitable, or transparent
- AMHI funding was vulnerable and has been reduced in the past (2003, 2005, and 2009) to cover costs of other services

2014 to 2017 – Reform Efforts Begin

- In 2014, the AMHI team found there was a need to revisit how the AMHIs were funded, update the statutory language, and provide more guidance for how AMHIs operate
- In 2017, the Minnesota Department of Human Services contracted with a vendor that coordinated a workgroup to provide recommendations for AMHI Reform, such as development of a mission statement, expanding measurement and data collection, and better defining the role of the Mental Health Program

History of AMHI Reform Continued

2019 to 2021 – Funding Formula Development

- DHS operationalizes the reform effort, including plans for the development of a more transparent, equitable, and defensible funding strategy
- The AMHI team completed an equity analysis and contracted with a vendor to support the design of an updated funding formula
- The AMHI Funding Reform Workgroup commenced and collectively made recommendations to inform the final formula

2021 to Present

- The updated formula was adopted by the State Legislature in late-2021
- A supplemental project was completed in 2023 to apply the approved formula to White Earth Nation AMHI
- Funding updates will be in effect in CY2025
- The legislature added funds to the overall CY2025 AMHI budget to assure that no AMHIs would receive reductions to their CY2022 funding



AMHI Workgroup Accomplishments

Mike Schoeberl - Forma Actuarial Consulting Services

Funding Formula Development - Rationale

Rationale for developing an updated Funding Formula

- When AMHIs were established in 1996 the funding levels were primarily based on the locations of State Mental Health hospitals.
- Over time, differences in per-capita regional funding may have resulted in regional or county-specific service gaps.
- ***The absence of an established population-based funding formula*** made it difficult to update the distribution to reflect demographic or other changes in the populations served by the AMHIs.
- It was difficult to justify the overall funding levels and advocate for increases to the funding over time.

“In collaboration with the AMHI regions, DHS will develop a credible, data-driven funding formula reflecting the relative regional-specific risk factors and resource requirements” – September 16, 2020 Statewide AMHI Meeting

Funding Formula Development - Steps

Steps for Updating Funding Formula

- Development of an updated formula began in Spring 2020.
 - Stated goals included: Transparency, Flexibility, Equitability, and Alignment
- Process involved multiple phases and participants, including representatives of AMHIs, providers, county staff, Minnesotans with lived experience, and other constituencies.
 - The project included demographic analyses, assessments of population risk and reviews of the financial information from the AMHIs.
 - DHS convened forums and collected survey data to gather public perspectives and feedback.
- Initial Funding Formula and report were submitted to DHS in June 2021.
- Starting in June 2021 DHS worked with a stakeholder group to continue the development and finalization of the funding formula.
- The updated formula was adopted by the State Legislature in late-2021.

Funding Formula Development - Examples

Historical Distribution Example

AMHI A

AMHI B



Per Capita Distribution

AMHI A

AMHI B



- In the example two AMHIs received similar annual funding, despite having significantly different numbers of adults living in their service area.
- Per capita differences like these indicated that the AMHI funds were not being distributed equitably across the adults in Minnesota.
- Distributing on a purely per-capita basis resulted in significant changes to the funding for many AMHIS.
- Although more equitable in the most basic sense, this methodology may not reflect potential differences in relative service needs of the respective populations.

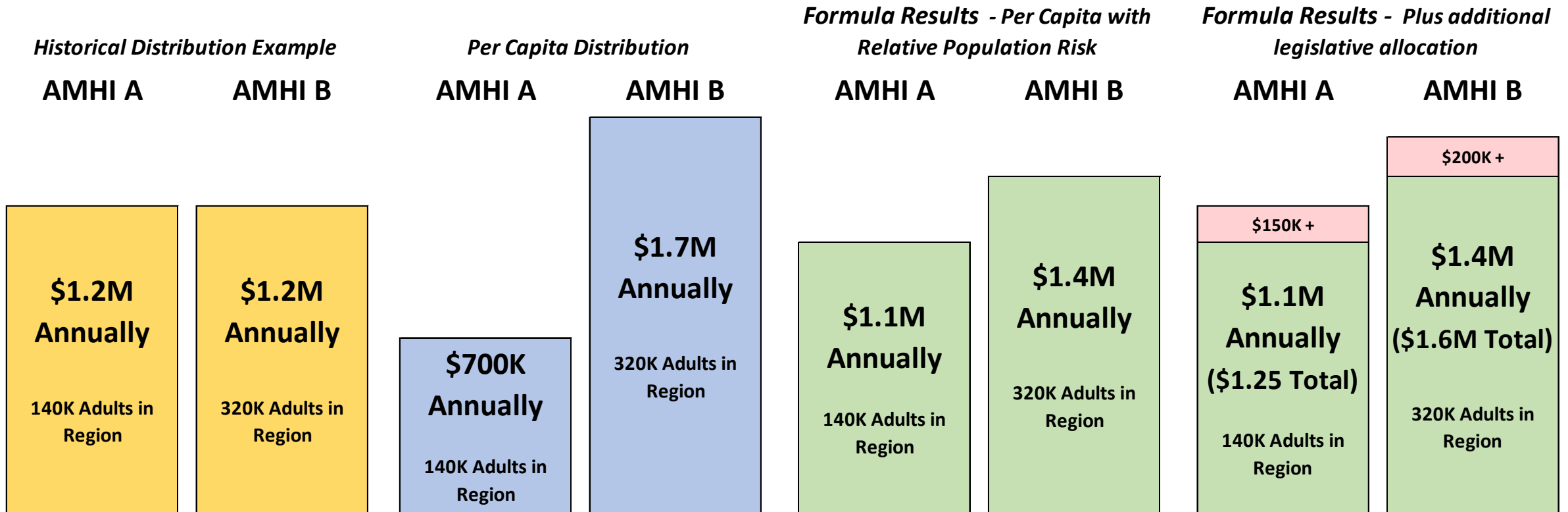
The ultimate formula is based on a per-capita approach that integrates adjustments for the anticipated differential service needs (risk) of the population

Funding Formula Development - Components

Funding Formula Components

- To recognize the different sizes of the populations being served by the AMHIs, the formula utilizes a per-capita payment rate. The payment is based the ***AMHI-specific per-capita rate, multiplied by the number of adults in the AMHI's population.***
- The AMHI-specific payment rates are intended to reflect the differential needs between the populations served by the different AMHIs.
 - The populations in some regions or counties could reasonably be expected to service populations with greater relative service needs.
 - In addition, the relative cost of delivering services may be higher in some regions or counties.
- To address these factors of potential differential risk, the AMHI-specific per-capita rate is adjusted to reflect:
 - The relative number of Medicare and Medicaid enrollees
 - The relative prevalence of Social Determinants of Health (SDOH) in the AMHI's population
 - The proportion of the AMHI's population living in rural areas
 - The relative regional deprivation as indicated by the Area Deprivation Index (ADI)

Funding Formula Development



- In this example, the analysis indicated that the risk for AMHI A was higher than AMHI B, indicating some rationale for the historical differences. AMHI B's still received a net increase due to their relatively low historical per capita amount.
- Even after adjusting for risk, many AMHIs were originally expected to receive reductions to funding under the workgroup-approved funding formula

To assure that no AMHIs would receive reductions to their funding, the Legislature added additional funds to the AMHI program

Funding Formula Development - Impact

Budget Impact of Additional AMHI Funding

	FY2024	FY2025		FY2026		FY2027		FY2028		FY2029
	CY2024		CY2025		CY2026		CY2027		CY2028	
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec
Current Budget	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738	\$16,781,738
CY Total	\$33,563,476		\$33,563,476		\$33,563,476		\$33,563,476		\$33,563,476	
FY Total		\$33,563,476		\$33,563,476		\$33,563,476		\$33,563,476		
Additional Budget (1)			10,233,000		10,233,000		10,233,000		10,233,000	
Additional Budget (2)				10,140,000		10,140,000		10,140,000		10,140,000
CY Total	\$33,563,476	\$53,936,476		\$53,936,476		\$53,936,476		\$53,936,476		
CY Impact of Additional Budget	\$0	\$20,373,000		\$20,373,000		\$20,373,000		\$20,373,000		
FY Total		\$43,796,476		\$53,936,476		\$53,936,476		\$53,936,476		
FY Impact of Additional Budget		\$10,233,000		\$20,373,000		\$20,373,000		\$20,373,000		

- Because of the additional funding, all AMHIs maintained their existing funding levels and most received increases.
- Although most AMHIs received increases, the relative magnitude of the increases varied considerably by AMHI.
- The lower relative increases for these AMHIs are reflective of the higher-than-average magnitude of their historical funding.

Questions?



AMHI Advisory Workgroup Charter

- Present Charter document
- Understand and adopt the Charter
- Charter has been emailed to workgroup members and will be posted to the AMHI website



AMHI Reform Advisory Workgroup Roadmap

February Meeting

Objectives

- Understand AMHI Reform and the Historical Work
- Understand the New Funding Formula and its Components
- Understand this Workgroup's Objectives

March Meeting

Objectives

- Share Detailed Formula Development Steps and Outcomes

April Meeting

Objectives

- Brainstorm Recalibrations Factors
- Develop Final Recommendations for Recalibration Factors

May Meeting

Objectives

- Understand DHS' Next Steps
- Determine How AMHI's Can Continue to Plan and Collaborate

2024 AMHI Advisory Workgroup Meetings

Wednesday, March 13th, 1:00pm - 2:30pm

Wednesday, April 10th, 1:00pm - 2:30pm

Wednesday, May 8th, 1:00pm - 2:30pm

Subject to change

[Adult Mental Health Initiatives / Minnesota
Department of Human Services \(mn.gov\)](#)

Thank You!

**Pam Sanchez, Breanna Bertozzi, Chris Ederer, Mike Schoeberl
& Alliant Consulting**

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